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**SPECIAL ARTICLE. YUGOSLAVIA MOVES TOWARD CLOSER  
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The recent Yugoslav expression of willingness to join some type of enlarged European plan was apparently motivated by a recognition of future need for economic and diplomatic support and by a desire to be part of a collective force capable of meeting the threat of Soviet aggression and controlling a resurgent Germany.

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## THE SOVIET WORLD

At the end of the third week in Geneva the Communists appeared confident that the course of events in Indochina and France would work to their advantage. While avoiding any action which might produce a conference deadlock or provide the United States with a pretext for unilateral or collective intervention, they did not appear to have slammed the door on a cease-fire independent of political negotiations.

For tactical reasons, however, they still maintained these two phases were inseparable. They also seemed to anticipate that both the fighting and the negotiations could continue simultaneously for some time. Thus a Viet Minh commentary stated that "we still remember the Korean lesson which taught us that one could negotiate and fight at the same time...for two years."

Two other developments helped to clarify the Communists' objectives and tactics for Indochina. The first reflected the Communists' confidence that time was on their side and that inducements at Geneva and pressure in Indochina would eventually extract substantial concessions from the French.

In his speech on 14 May Molotov observed that "it is only its desperate position that can explain why the government of France has submitted the Indochina question to the Geneva conference." Apparently the Communists hoped to impress upon the French that they must either accept a cease-fire now or suffer the consequences of involvement in an expanded war under American leadership. Molotov warned the French that creation of a "new aggressive bloc" and American bases in Southeast Asia "cannot be regarded indifferently by those states whose security is affected" by such a bloc and by the extension of American intervention in Indochina.

Communist confidence that more favorable terms could be extracted by stalling was further reflected in the addition of extraordinary conditions for the evacuation of Dien Bien Phu wounded.

Secondly, the Communists continued to support the legitimacy of their phantom governments in Laos and Cambodia. Molotov stated that "one cannot limit the question of the situation in

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Indochina to developments in Vietnam." A Soviet commentary stated that the participation of "Khmer" and "Pathet Lao" at Geneva was "indispensable." The Communists apparently believed that this issue would prove an effective bargaining counter, even though they have not yet used it to block the conference.

In the foreign trade field, the Soviet bloc is backing its barrage of trade propaganda directed at the non-Communist world by increasing both the number and the lavishness of exhibitions at international trade fairs in Western countries. Compared with participation at 25 such fairs in 1952 and 40 in 1953, the bloc has or is expected to stage exhibitions at some 60 fairs this year. In addition, a larger number of individual Orbit countries will have their own exhibits. As in previous years, however, this effort is designed more to show off the accomplishments of Communist industry and to promote the sale of traditional exports than to step up the sale to Western buyers of any significant quantities of industrial equipment.

Orbit countries plan to continue large-scale participation in trade fairs in industrially underdeveloped countries in the Near East, Southeast Asia and Latin America. The propaganda impact of these displays has generally been considerable, but the effectiveness in trade promotion is limited both by the reluctance of bloc delegations to accept orders for equipment most desired by Western buyers and by the inferiority of many types of bloc goods compared to those currently manufactured in industrialized Western countries.

In Hungary, with the Workers' Party Congress scheduled for 24 May, the political atmosphere is one of uncertainty and insecurity, according to the American legation in Budapest. The prevailing widespread rumors of an intraparty power struggle, including several probably false rumors of the imminent decline of party leader Rakosi, can hardly fail, in the opinion of the legation, to contribute to the demoralization of the lower echelon of party leaders. Furthermore the top leadership has displayed considerable vacillation in implementing the program. All this will complicate their difficulties at the forthcoming congress, which was probably called to convince the party membership of the stability of the leadership and of the practicality of its current program.

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## TERRORISM EXPANDS IN FRENCH MOROCCO

Terrorism in Morocco, which has continued since the removal of pro-nationalist Sultan Ben Youssef in August 1953, is now expanding from attacks on pro-French Moroccans to attacks on French nationals. The situation is further complicated by a spreading nationalist-inspired boycott of French business.

Terrorist attacks have averaged one a day for the past nine months. They have included assassinations, bombings, arson, and railroad and communications sabotage. To date these activities have been confined primarily to the urban centers, with Casablanca the principal trouble spot. Violence now appears to be spreading to the rural areas--sections traditionally favored by the French and considered loyal, but which, since the removal of Ben Youssef, have been increasingly anti-French and opposed to the new sultan.

The nationalists are unlikely to attack Americans or attempt sabotage against US air bases as long as they hope for American support. There is a growing tendency among nationalists, however, to link the United States with French colonial policy.

The French have countered terrorism with force, relying on widespread arrests, anti-terrorist police brigades, vigilante French settler groups, religious edicts, and the death penalty for such activity. Local French officials believe that current reforms will do little to improve the situation. Although the nationalists have been sounded out on the local level concerning a change of sultans, serious consideration of such a compromise has been denied by Paris. French efforts to counter the continuing popularity of the ex-sultan have been unsuccessful. His successor's reception by the Moroccan population has been cold and unresponsive, and two attempts have already been made on his life.

In early April the French were faced with a new problem--a nationalist-inspired economic boycott aimed at French monopolies. Moroccans are refusing to smoke French tobacco and buy French bread and reportedly will stop using French milk and sugar. Moroccan women are adopting a more traditional garb which requires less material and are being dissuaded from working for the French. Moroccan farmers have been warned that if they use modern machinery, their crops will be burned and their equipment damaged.

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The Moroccans' response to the call for a nationalist economic boycott was immediate in Casablanca. The boycott has now spread to Rabat and to some extent to Tangier. The French tobacco monopoly is already trying to counteract declining sales. Designed primarily as a show of nationalist strength, the boycott may, if continued at present effectiveness, seriously cut government revenues.

Prospects for a settlement are not good. French-Moroccan differences stem from the irreconcilability of the nationalists' desire for autonomy and eventual independence and determination by the French to maintain their dominant position. Terrorism and repression have hardened the positions of both sides, and the French now have even lost contact with formerly friendly Moroccan elements. The shift of terrorist attacks to French nationals, if maintained, will further widen the split. As the situation in Indochina deteriorates, the Moroccan nationalists will exert greater efforts to gain independence, while the French will be more determined than ever to maintain their hold.

Despite an increasing concern in Paris, it is unlikely that the French will make real concessions. A change of sultans alone, without positive steps to meet Moroccan demands, would not alter the basic conflict. The nationalists would probably not settle now short of a public promise of independence, with a definite timetable and immediate steps toward autonomy.

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## THE AUSTRALIAN ELECTIONS

Neither the Menzies government nor the opposition Labor Party has made foreign policy an issue in the Australian election campaign ending 29 May for a new House of Representatives.

In the present house, elected in 1951, the government coalition controls 68 seats, 51 of which are held by the Liberal Party and 17 by the Country Party. The Labor Party holds the other 55 seats.

The timing of the election has proved fortuitous for the government. It has ridden out a recession during which several by-elections and public opinion polls showed a sharp drop in its popularity. At present business is buoyant and the Australian economy appears to be sounder than at any time since the war.

The defection in early April of Vladimir Petrov, third secretary of the Soviet embassy, and the subsequent revelation of Soviet intrigue, has given the government a talking point that it could scarcely have foreseen. The government gave assurances that the case would be left outside party politics, but Dr. Evatt, the leader of the Labor Party, promptly accused it of using the affair as an instrument of propaganda.

During the past three years, Labor's views on foreign policy have shown a definite shift toward the right as the result of the reduction of Communist influence in the trade unions. During the campaign it has avoided any attacks on the government's foreign policy of close cooperation with Britain and the United States. Dr. Evatt, when minister of external affairs, proved to be an independent, even an unpredictable, operator in the foreign field, but he is on record as opposing the recognition of Communist China.

With regard to Japan, a touchy subject in Australia, Dr. Evatt in his initial campaign speech asserted that it would be wrong to adopt an attitude of permanent hostility, thus apparently opening the way for a rational bipartisan policy. While it is evident from the pronouncements of several party leaders that Labor looks with less favor on ANZUS than does the government, it has not attacked the treaty.

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The American embassy in Canberra points out that despite the apparent unity on foreign and defense policies, there is considerable evidence to indicate that a Labor government would be less willing than the present one to support Australia's defense position. Labor is committed to an increase in social services and may find that such an increase can most conveniently be financed by a reduction in the defense budget. The embassy also notes that Labor is less inclined to accept American leadership than is the present government.

Labor's opposition to Communism is well established, but with the Communist threat so dramatically exposed, the government will almost certainly win votes by pointing to its earlier recognition of the threat. It sought, by a referendum in 1951, to win the authority to declare the Communist Party illegal. Labor opposed the referendum, and it was defeated. Moreover, the reduction of Communist influence in the trade unions has been accomplished under the present government and with the help of secret balloting procedures, which the government established over Labor's earlier opposition.

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## THE PROGRESS OF SCELBA'S ANTI-COMMUNIST PROGRAM IN ITALY

The first avowedly anti-Communist program by any postwar Italian government is being actively pursued by the two-month-old Scelba cabinet. Continuation of the program is threatened less by the Communist attacks on the government than by the efforts of the Monarchists who are, with the help of some right-wing Christian Democratic leaders, trying to split the present center coalition.

The anti-Communist program calls for both direct restrictive measures and an indirect approach through social reforms. In two recent decrees, directed primarily against the Communists, the government has put a highly effective ban on trade union activities on government time or property and has ordered the headquarters of political parties removed from government-owned buildings. The pro-Communist Nenni Socialists have already been forced to give up their headquarters in Milan.

When the Communist press criticized Premier Scelba's condolences to the French government over the fall of Dien Bien Phu, he promptly directed that Communist newsmen be denied further access to government offices. In addition, an Italian Communist who disparaged the government from a radio station behind the iron curtain in 1952 has recently been given a prison sentence. Subsidization of the Communist party from the proceeds of illegal East-West trade activities are currently under investigation by a newly appointed committee.

In the field of social reform, the Scelba cabinet has submitted parliament tax reform and housing measures which favor lower-income groups, as well as measures for speeding up agricultural reform in southern Italy. Reform of the government bureaucracy is already under way, and the Sturzo commission is actively investigating the conduct of government-owned industries. Long-advocated steps are also being taken to counteract Communist propaganda by giving the education system a less clerical complexion.

Direct Communist retaliation has thus far taken the form of harrying the government with a series of relatively successful short strikes in the fields of transportation and public service. The party has also stepped up its attacks on EDC, ratification of which has been publicly declared by Premier Scelba to be part of his anti-Communist program.

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Available information regarding some half dozen local elections held during March and April shows no conclusive political trend, although there are some indications that the rightist parties have lost strength and the Christian Democrats, Nenni Socialists and Communists have gained. In the most important of these elections, that of Castellammare, near Naples, on 28 March, an electoral alliance of the Christian Democrats with the Monarchists and neo-Fascists on the extreme right succeeded in electing its candidates but evidently alienated so many center voters that the Socialist-Communist vote in this district rose to its highest proportion in the postwar period. The Christian Democrats have since decided to avoid such alliances in the May provincial elections.

The principal threat, at present, to continuation of the government's anti-Communist program is the maneuvering of the Monarchists, using opposition to EDC as the issue, to replace the Scelba coalition with a new government consisting of themselves, Christian Democrats and probably some neo-Fascists. Such a government, though anti-Communist in profession, would not necessarily continue even the restrictive side of Scelba's anti-Communist program--as was illustrated by Pella's government last fall. In any case, a government of such complexion would be forced by its party composition to abandon the social reform half of the program.

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## COMMUNIST PARTY GAINS IN BRAZIL

The Brazilian Communist Party, whose membership rose from about 60,000 to over 100,000 in the last eight months of 1953, is now seeking political expression for its increased strength. At the same time, it is devoting major attention to party reorganization and intensive indoctrination in the Moscow-inspired united-front program.

The sharp rise in the party's strength can be attributed mainly to the success of the "Stalin Recruitment Campaign," which was started in April 1953 and was directed primarily toward industrial workers. Communist gains were facilitated by the cessation of the heavy press attacks prevalent in 1952, as well as by the sympathetic attitude of Joao Goulart, who until February 1954 held the key cabinet post of labor minister.

Despite the somewhat firmer anti-Communist attitude of the government following a manifestation of political interest on the part of the army in February, there is much in the Brazilian climate of opinion which still favors Communist gains. Furthermore, the Communists appear to have slackened their personal attacks on President Vargas in recent weeks. Barring army intervention, only the resumption of such attacks would ensure Vargas' continued effective support for anti-Communist measures.

With an eye to the 3 October congressional and gubernatorial elections, the party is now seeking a political means of expression for its new strength. Although the Superior Electoral Tribunal on 5 April refused its petition for reinstatement as a legal party, and is expected to refuse any further petition by an obvious front party, the Communists have already presented two groups of "candidacies" to the public. Included in these lists are prominent political and labor personalities both inside and outside the party. The Communists seem to hope that some of their proposed candidates will be included in the state lists of various legal parties in return for pledges of Communist support under the prevailing system of proportional reorganization. The important Brazilian Workers Party is already reported to have officially listed one Communist and one Communist-linked candidate.

The Communists also attempted recently to exploit the bitter political controversy between Goulart and Finance Minister Aranha over planned increases in the minimum wage scale. Anticipating that Vargas would decree only a compromise figure, a group of leftist and Communist labor leaders in the three major

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industrial areas of Brazil planned large-scale protest strikes to begin on 3 May. The decree issued by Vargas on 1 May, however, put into effect the higher scale sponsored by Goulart, and Communist claims of having exerted major influence in this decision will probably raise the party's prestige in labor circles.

The Communists' major efforts in recent months have been devoted to a consolidation of membership gains. The clandestine party school system has been extended and local party units are reported concentrating on a study of the 1 January Draft Program now scheduled to be adopted by the party at its Fourth Congress later this month.

Certain aspects of this program suggest that Moscow is devoting increasing attention to the Brazilian party. By their advocacy of united front tactics, the Brazilian Communists have moved to implement the world-wide Communist strategy of participation in national fronts as emphasized at the 19th Congress of the Communist Party of the Soviet Union. More specific evidence of the party's subservience to Soviet foreign policy was apparent in its criticism of President Vargas in the 1 January policy statement. Vargas was attacked as a "servant of the United States," rather than on the more convincing grounds of his administration's corruption and inefficiency.

A further indication of possible closer supervision by Moscow is found in changes of terminology and structure to conform more nearly to that of the Soviet party. For instance, the national committee is now called the central committee, the executive commission has become the presidium of the central committee, and the cell is now to be called the primary organization. Furthermore, a central control commission and a central finance commission are to be set up.

The Moscow-inspired united front tactics have already netted important gains in the labor field, and the turmoil of the approaching election campaign may provide an atmosphere in which the party may make significant political gains as well.

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SPECIAL ARTICLE

YUGOSLAVIA MOVES TOWARD CLOSER COLLABORATION  
WITH WESTERN EUROPE

The recent Yugoslav expressions of interest in EDC and of willingness to join some type of enlarged European integration plan represent a step toward closer co-operation with the West and away from Belgrade's former emphasis on an independent position.

The decision to take this step appears to have been motivated by two main factors: (a) a realization that, with the apparent recession of the Soviet threat, Yugoslavia's need for economic and diplomatic support can be satisfied by better policies than adherence to an anti-Soviet but independent position; and (b) a desire to be part of a collective system that could meet the threat of Soviet aggression and control a resurgent Germany. Tito and other Yugoslav leaders have stated that Yugoslavia will support with all its power, and "if need be, join," a European Defense Community that is broadened beyond purely military concepts to include a basis for political and economic co-operation, and which gives greater emphasis to permanent solution of intra-European antagonisms.

The Yugoslavs may believe that their country is losing some of the unique status which the previously strong threat of Soviet military pressure had created. The common interest of building an immediate force to meet possible Soviet action had led to extraordinary Western assistance, but the Belgrade regime probably now realizes that prospects for future aid are growing dim, and might become almost nil if it continues to emphasize the independent aspect of its anti-Soviet attitude.

Even with present Western aid, Belgrade's large adverse balance of payments position--claimed to be \$80,000,000 for fiscal year 1954--indicates that its need for some type of economic aid will continue for at least several years. Tito may believe that willingness to join in a European community might encourage greater grants of credit, further debt postponements, and other similar measures from both the United States and European nations.

The Yugoslavs probably also desire to obtain increased international political support. In the past, they had sought this among the less developed areas of the world, and made attempts

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to develop a "third force," which, while not neutralist, would not be attached to the Western power bloc. Now, apparently realizing that this policy has largely failed, they seem to be turning to European nations for support. This would be particularly helpful on the problem of relations with Italy. Along with strong claims that it has been reasonable in the Trieste dispute, Belgrade's recent public statements give some indication that it now feels the Western powers are going to push through to a final solution. Recent statements may have been designed to prepare Yugoslav public opinion to accept a Trieste solution as having been made in a spirit of sacrifice for the larger interest of European unity.

Tito would probably also like, however, to prepare the ground for getting Western support in case diplomatic negotiations for a solution fail. By presenting Yugoslavia as more willing than Italy to join in an European defense plan, Tito may be trying to gain some friends for his side of the dispute. Italian Foreign Ministry officials have already claimed to American officials that the Yugoslav gestures toward EDC are nothing more than a tactical maneuver to improve Yugoslavia's bargaining position on Trieste.

Another motive behind the current Yugoslav policy may be Tito's long-standing aim of playing a major role in world affairs, in this case in an organization directed toward meeting the threats of Soviet aggression. The Yugoslavs have apparently become somewhat disillusioned with their original post-Stalin view that "internal contradictions" might force changes in Soviet tactics which would partially remove some of the causes of East-West tensions. They no longer claim to see many such changes occurring, and they now believe that "normalization" of Yugoslav relations with the East will be a slow, drawn-out process. They continue to emphasize that the threat of Soviet aggression remains one of the main problems for Europe.

The fear of a revived Germany also seems to play a large role in the Yugoslav view of the current European situation. Until the Berlin conference, the Yugoslavs appeared preoccupied with the question of German reunification and the hope that if this was successfully accomplished, remilitarization would somehow be avoided. When the conference proved that reunification was impossible, and hence rearmament appeared inevitable, their thinking appeared to shift to the question of how to control such rearmament through a European defense organization.

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Chancellor Adenauer's visit in March to Greece and Turkey, raising the specter of a resurgent Germany making bilateral approaches to individual European nations and especially to two of Yugoslavia's closest allies, brought a very sensitive reaction from Belgrade. This fear of a Europe dominated by Germany apparently was one of the final reasons which influenced Tito to consider some type of participation in a European scheme.

So far Tito and his subordinates have been very careful not to spell out any of the details of how far or in what manner they would enter into a European integration scheme. According to local sources of the American embassy in Belgrade, the decision to express an interest of this nature was probably made at the top level of the regime only at the end of March. Some manifestations of the idea, however, can be traced back to last September, and it may be that development of the policy was delayed by the Trieste crisis after 8 October.

It is possible that the Yugoslavs have in mind their Balkan pact relationship in their recent policy statements. Belgrade, along with Athens and Ankara, has appeared sincere in wanting to make the Balkan pact a strong organization and is now attempting to turn it into an alliance with automatic military commitments. This has so far been delayed by Western pressure against the two NATO members' extending their commitments. Tito may now feel not only that a relationship with a European community could be developed like his Balkan connections, but that the latter may be permitted by the West to coalesce to the full extent that Yugoslavia desires if he shows a willingness to join a European plan.

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